VZCZCXRO4078 PP RUEHAO DE RUEHCV #0473/01 0521812 ZNY CCCCC ZZH P 211812Z FEB 06 FM AMEMBASSY CARACAS TO RUEHC/SECSTATE WASHDC PRIORITY 3283 INFO RUEHBO/AMEMBASSY BOGOTA PRIORITY 6022 RUEHBR/AMEMBASSY BRASILIA PRIORITY 5192 RUEHLP/AMEMBASSY LA PAZ PRIORITY 1675 RUEHPE/AMEMBASSY LIMA PRIORITY 9880 RUEHQT/AMEMBASSY QUITO PRIORITY 1747 RUEHBS/AMEMBASSY BRUSSELS PRIORITY 0408 RUEHLI/AMEMBASSY LISBON PRIORITY 1333 RUEHLO/AMEMBASSY LONDON PRIORITY 0455 RUEHMD/AMEMBASSY MADRID PRIORITY 3055 RUEHFR/AMEMBASSY PARIS PRIORITY 0359 RUEHRO/AMEMBASSY ROME PRIORITY 0571 RUEHTC/AMEMBASSY THE HAGUE PRIORITY 0822 RUEHME/AMEMBASSY MEXICO PRIORITY 3582 RUEHOT/AMEMBASSY OTTAWA PRIORITY 0576 RUEHBU/AMEMBASSY BUENOS AIRES PRIORITY 1017 RUEHSG/AMEMBASSY SANTIAGO PRIORITY 3269 RUEHMU/AMEMBASSY MANAGUA PRIORITY 0978 RUEHAO/AMCONSUL CURACAO PRIORITY 0606 RUEHMI/USOFFICE FRC FT LAUDERDALE PRIORITY 2837 RHEHNSC/NSC WASHDC PRIORITY RUMIAAA/HQ USSOUTHCOM MIAMI FL PRIORITY RUEHUB/USINT HAVANA PRIORITY 0494

C O N F I D E N T I A L SECTION 01 OF 06 CARACAS 000473

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E.O. 12958: DECL: 01/21/2026

TAGS: <u>PGOV</u> <u>PREL</u> <u>VE</u>

SUBJECT: WHAT TO EXPECT FROM CHAVEZ' PRESIDENTIAL CAMPAIGN

REF: A. A: CARACAS 00298

1B. B: CARACAS 00332
1C. C: 05 CARACAS 03659

Classified By: ACTING POLITICAL COUNSELOR MARK A. WELLS FOR 1.4 (D)

Summary

11. (C) Venezuelan President Hugo Chavez' history of dirty campaigning and his announcement that he is running against President Bush have several implications for how he will prepare for Venezuela's December 3, 2006 presidential election. Many of these actions violate the letter and spirit of the electoral law. The Chavez administration will use public funds to organize massive campaign rallies thinly disguised as spontaneous uprisings against the United States. It will also increasingly fund entitlement programs and

It will also increasingly fund entitlement programs and high-visibility public works projects. In an effort to accomplish Chavez' objective of receiving 10 million votes, the government will inflate the electoral registry with foreign and fictitious voters and bully or bribe Chavez supporters into voting. In the event Chavez fails to meet his goal, he will accuse the USG of encouraging abstention and may even stage destructive acts to show alleged evidence of U.S. sabotage. Chavez may negotiate with his political opposition and the international community but will resist significant improvements to the electoral system, including steps to increase vote secrecy. Alternatively, he could write off international observation altogether and try to legitimize the election with observers hand-picked by the government. Adept at inventing crises, Chavez could expel more U.S. embassy officials--particularly military

officers--to keep his electorate focused on the alleged U.S. menace instead of his own failures in governance. Chavez will likely continue to threaten to cut off oil shipments to the U.S. or to close Venezuelan-controlled refineries in the United States but is unlikely to follow through. At the early stage, Chavez appears well-positioned for reelection, but the paranoid President could still order electronic voting fraud as a contingency. End Summary.

Fight the Empire

¶2. (SBU) Chavez kicked off the presidential campaign season on February 4 shouting "attack" to the blast of a bugle. His adversaries, he said, were not the "worm-eaten, moribund" political parties. Rather, Chavez warned Venezuela would be facing "the most powerful, immoral, shameless, murderous empire in the history of the planet: . . . the United States of America." His rhetoric and 2006 campaign plan (SEPTEL) recall his attempts to portray the recall referendum in 2004 as a race between him and President Bush. In addition to the political opposition, Chavez has branded all who question him as traitors and imperialist stooges. His behavior in previous elections and his propensity to invent crises provide insight on what to expect in his latest round with the empire. We examine below an array of possible Chavez campaign tactics.

Mobilize People with Public Funds

CARACAS 00000473 002 OF 006

- 13. (SBU) Chavez has already begun staging massive pro-Chavez rallies flimsily disguised as marches commemorating other events. In fact, Chavez addressed his campaign remarks above to a march for "sovereignty and dignity," which ostensibly honored the failed coup he led in 11992. Chavez often organizes such events to protest alleged U.S. violations of Venezuelan sovereignty or other U.S. policies, so they double as occasions to campaign against President Bush. In such marches, the government clearly violates electoral law by providing T-shirts, refreshments, and transportation for hundreds of thousands of participants. Marches are likely to increase in number and in intensity as the election date approaches. Chavez will have to guard against "march fatigue;" this is not Cuba, where Fidel declares a holiday and compels a million people to show up. Although some of these rallies occurred before the gubernatorial, regional, and National Assembly elections, Chavez used them more frequently before the recall referendum. Chavez will also continue to increase spending on key government entitlement programs to drum up support for his reelection and will have a number of high-visibility public works projects ready to unveil by November (REFS A and B). During the recall referendum, government media portrayed heavily funded social missions as partisan programs.
- 14. (U) In another violation of electoral law, Chavez compels Venezuelan TV and radio stations to broadcast his speeches much more frequently in the runup to elections. During 2004, the year of the recall referendum, he took over the airways an average of once per day. The 2004 speeches, or "cadenas," had an average length of about 20 minutes. He may be on track to break that record this year, having tallied 12 cadenas, with an average length of over an hour, during the month of January alone. Chavez issued the longest cadena in Venezuelan history—five hours and forty three minutes—on January 13, 2006.

Inflate the Electoral Registry

 $\underline{\mbox{1}} \mbox{5.}$ (C) In his public discourse, Chavez has fixated on his self-set goal of receiving 10 million votes during the presidential elections. With an electoral registry of only about 15 million people, Chavez realizes he must increase the number of eligible voters to achieve his aim. Before the recall referendum in 2004, the BRV managed to add over two million voters to the electoral registry in part by granting citizenship to several hundred thousand Colombians and other foreigners. The National Electoral Council (CNE) has endorsed Chavez' goal of adding two more million to the registry in 2006. If the recall referendum example is any model of how future registration processes will work, the BRV will hold massive citizenship drives and highly partisan rallies to celebrate the new voters' nationalization. The government will take pains to inscribe only those it regards as future voters for Chavez. The Chavistas have improved the quality and the scope of the information they have collected and collated to assess which way a voter might sway. Because the government has arguably reached a point of diminishing returns in signing up new voters, it may also add deceased, duplicate, or fictitious voters to the electoral registry. The registry already contains numerous examples of such phantom entries.

CARACAS 00000473 003 OF 006

Intimidate People into Voting

16. (U) As election day gets closer, Chavez is likely to prioritize ensuring that his already registered supporters go to the polls. Chavez has criticized his own administration for the high level of abstention during the December 2005 National Assembly elections. Having achieved a participation rate of at best 25 percent in that contest (3.7 million votes cast), Chavez will have to get out the vote to achieve his aim of winning 10 million votes. Chavez ordered during his February 4 speech the establishment of one electoral "patrol," or get-out-the-vote committee, attached to a voting center for every 100 voters. Election watchdog group Sumate has reported that the government in the past has used official vehicles to take people to the polls on election day.

- 17. (C) In violation of electoral law, the Chavez administration will also take more nefarious action to guarantee participation. According to DAO reporting, the Venezuelan military harassed people at the airport who were leaving the country on the day of the National Assembly elections and forced its own personnel to vote. (Note: DAO reporting also indicates 85 percent of active duty air force personnel may have cast null votes, ostensibly in rebellion against such pressure.) Workers at state oil company PDVSA told us they would be dismissed if they did not vote. A pro-Chavez deputy made a not-so-subtle threat on television on election day in December that any government worker who did not vote would not get paid. Chavez' Fifth Republic Movement party officials also have been threatened with suspension from the party if they fail to vote during future elections.
- 18. (SBU) While the BRV bullies people into voting, Chavez is certain to criticize the United States for fomenting abstention. Chavez has blamed Washington for masterminding the opposition withdrawal from the National Assembly elections. He announced on February 7 that the USG would get voters to "forfeit" the presidential elections to make his victory appear illegitimate. His claims of U.S. conspiracies will serve as an excuse if he fails to get--by hook or by crook--his 10 million votes.

Negotiate--But Stall

- 19. (C) Narcissism in part motivates Chavez to obtain 10 million votes, but the President also has an ulterior motive. With a large, visible, pro-Chavez turnout on election day, Chavez will not need to rely on the international community to legitimize the elections. Chavez said February 4 he wanted a victory by "knock out" so that "no one has any doubt."
- 110. (C) In the meantime, Chavez may negotiate with political parties and any international observers but will not provide significant concessions as long as he thinks he has a chance of winning hands down. In particular, the BRV will not agree to Sumate's three demands for improving the voting process: a reliable electoral registry, an impartial CNE, and a manual count of paper ballots. First, the BRV has ordered a cleanup of the registry, but the process will not

CARACAS 00000473 004 OF 006

be transparent because Chavez needs the phantom votes to reach his 10 million target. Moreover, tracking down the addresses of all voters—a key opposition demand—would likely take longer than a year to accomplish. The poor state of the registry predates Chavez' presidency, although it worsened substantially during the 2002-03 voter drives. Second, if Chavez does agree to change the CNE, he can ensure it remains beholden to him while claiming to abide by Venezuelan law. The constitution requires the National Assembly, which currently is 100 percent Chavista, to elect CNE members nominated by civil society. Third, the CNE has employed stall tactics to avoid counting all paper ballots. It bartered with the opposition over the number of ballots to be counted until it settled on the audit of 45 percent of the boxes less than three weeks before the National Assembly elections. Members of the minuscule, upstart Federal Republican Party (PFR) told poloff they filed a lawsuit in mid-November to require the CNE to count all paper vote receipts, but the courts ruled hours before the election that they lacked sufficient time to address the case.

Create-Your-Own Observers

11. (SBU) If he is confident enough in his ability to mobilize the masses on election day, he may decide early on that he does not need or want international observers. Chavez already has begun attacking observers. He called the OAS report on the National Assembly elections a "dirty document," according to February 7 press reports. He labeled OAS observer mission chief Ruben Perina--whom Post found reluctant to criticize the Venezuelan Government--an extreme right-wing ally of "the empire." He had similar words for the EU mission. Although Chavez may ultimately agree to receive international election observer missions, he likely will do so without allowing them enough time to prepare properly. Should they decline to participate in such an event, the government will likely bring in fly-by-night or ideologically "reliable" observers that it can control completely or at least trust to submit a glowing report. Regional observer group CAPEL played this part in the run-up to the National Assembly elections, although the OAS and EU missions eventually eclipsed CAPEL's role.

Expel U.S. Personnel

112. (C) After announcing the expulsion of the U.S. naval attache, Chavez said February 2 he would kick out the entire U.S. "military mission in Venezuela" if another U.S. attache were caught contacting a Venezuelan officer. Vice President Jose Vicente Rangel added February 13 that the whole "military mission" deserved to be thrown out for its alleged involvement in the 2002 coup and the 2002-03 oil strike. (Note: MILGROUP believes Chavez and Rangel were likely referring to all U.S. military personnel, as the distinction

between MILGROUP and DAO is lost on much of the Venezuelan Government.) Government spokesmen said they would not retaliate against the U.S. expulsion on February 3 of Venezuelan minister counselor in Washington Jenny Figueredo because Venezuela was a "responsible" country. Although they have backed down for now, we cannot rule out the future expulsion of more U.S. military or other Embassy personnel. For Chavez, the potential of a U.S. counter-expulsion is not

CARACAS 00000473 005 OF 006

an absolute deterrent. Although he values the ability to place trusted military personnel in diplomatic positions, he is suspicious of officers who have too much interaction with the "empire." Chavez may view the end of bilateral military relations as a natural progression of policy after expelling MILGROUP from Fuerte Tiuna in May 2004 and removing U.S. personnel exchange program officers in April 2005. He may also consider such an expulsion prudent, as he treats the U.S. military as a true threat to his presidency. Chavez, who announced February 4 that he would purchase arms from undisclosed countries, may also intend to limit U.S. intelligence collection. (Yet, he would likely find it hard to resist trumpeting his solidarity with a country willing to sell him arms.) He already claims to be on the trail of a U.S. Army lieutenant colonel for espionage.

113. (C) Chavez' timing in such a move would likely depend on his view of the potential for publicity. He could act in retaliation against a U.S. policy or an alleged U.S. violation of Venezuelan sovereignty. Alternatively, he could expel personnel in an effort to distract the public from some problem he has failed to solve, such as collapsing Venezuelan infrastructure. In any case, he would likely spin such a move as the logical result of blocked U.S. military sales to Venezuela.

Stage "Sabotage"

114. (C) BRV spokesmen have claimed repeatedly that the USG has tried to "destabilize" and "sabotage" Venezuelan elections. Alleged U.S. interference is a key theme in his party's 2006 campaign plan, as well (SEPTEL). Since Chavez continues to warn that the USG means to disrupt his reelection, he may stage crises in the runup to the presidential elections to blame them on the USG. If the BRV did not manufacture violent acts in the runup to the December 4 National Assembly elections, it at least exploited suspicious circumstances to condemn the USG. Interior Minister Jesse Chacon blamed the rupture of an oil pipeline the day before the December 4, 2005 National Assembly elections on the United States (REF C). Two National Assembly deputies, moreover, said pipe bomb explosions at Fuerte Tiuna on December 2 were part of a CIA plot. The deputies held a press conference in front of a cache of weapons in an attempt to show the USG's violent aims.

Threaten to Cut Off Petroleum Supplies

115. (U) Chavez has warned he will cut off oil shipments to the United States and close CITGO refineries in the United States if the USG tries to overthrow him. Although Chavez is somewhat unpredictable, the threat appears hollow, as Chavez relies on oil revenue to fund his campaign and his Bolivarian revolution at home and abroad. An oil cutoff would likely hurt Venezuela more than us, especially in the short run. However, he may engage in rhetorical brinkmanship to rally his political base. If the threats do increase, Chavez will continue portraying Venezuelan petroleum as an undeserved "gift" to the United States. Chavistas regularly claim the USG exploits Venezuela for its oil, and the fact that Americans pay Venezuela for their energy supply is lost on uneducated Venezuelans.

Conduct Electronic Fraud

- 116. (C) Should Chavez continue to expand the electoral registry with his supporters and promote his candidacy with massive public spending, he is unlikely to need to resort to massive electronic vote fraud. Nonetheless, Chavez may allow his administration to tamper with electoral software either to ensure his election or to reach the 10 million mark. Opposition contacts allege that the Chavez administration threw the recall referendum by rigging the electoral software.
- 117. (U) Regardless of whether the BRV electronically changes peoples votes, it has a proven record of violating voter secrecy. Opposition political party technicians were able to confirm in November 2005 their long-held belief that it was possible to cross data from the fingerprint and voting machines to determine each person's vote on election day. The government has used the "Tascon" list of presidential recall petition signers and the "Maisanta" program linking voters to their selected candidates to punish Chavez opponents. Although the BRV abandoned the use of fingerprint machines during the National Assembly elections, some opposition members convincingly argue there are a number of other methods of triangulating data from the voting machines to discover how people vote.

Comment

118. (C) Although Chavez' strategy to reach every Venezuelan voter with "patrols" is unrealistic, it should not be underestimated. Chavez will suffer few distractions from his reelection campaign. He will focus his time and energy—and the public's budget—on accomplishing his goals. Our job is to keep the opposition—assuming there is one—and the international community focused on the important issues. Opposition party Primero Justicia, for example, has kept Chavez backpedaling by questioning his use of public funds for campaign events and for his handouts overseas. As much of the opposition gripes to the international community about the possibility of electronic fraud, it needs to keep the spotlight on more obvious abuses such as the unrestrained growth of the electoral registry and public spending on Chavez' campaign.

WHITAKER